

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 1679

91ST GENERAL ASSEMBLY

Reported from the Committee on Financial and Governmental Organization, Veterans' Affairs and Elections, May 3, 2002, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

2983S.05C

AN ACT

To repeal sections 313.500, 313.510, 313.520, 313.530, 313.540, 313.550, 313.560, 313.580, 313.590, 313.600, 313.605, 313.610, 313.620, 313.630, 313.631, 313.632, 313.640, 313.652, 313.655, 313.660, 313.670, 313.710, and 313.720, RSMo, and to enact in lieu thereof twenty-eight new sections relating to horse racing and pari-mutuel wagering, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 313.500, 313.510, 313.520, 313.530, 313.540, 313.550, 2 313.560, 313.580, 313.590, 313.600, 313.605, 313.610, 313.620, 313.630, 313.631, 3 313.632, 313.640, 313.652, 313.655, 313.660, 313.670, 313.710, and 313.720, RSMo, are 4 repealed and twenty-eight new sections enacted in lieu thereof, to be known as 5 sections 313.500, 313.510, 313.520, 313.530, 313.540, 313.550, 313.560, 313.561, 6 313.562, 313.580, 313.583, 313.585, 313.587, 313.590, 313.600, 313.605, 313.610, 7 313.620, 313.630, 313.631, 313.640, 313.652, 313.655, 313.660, 313.662, 313.670, 8 313.720 and 1, to read as follows:

313.500. As used in sections 313.500 to [313.710] **313.720**, unless the context 2 clearly indicates that a different meaning is intended, the following terms mean:

3 (1) "Applicant", any person applying for a license to be granted by the 4 commission. If the applicant is a corporation, partnership or other person as that 5 term is defined in section 351.015, RSMo, the term includes the officers and directors 6 of the corporation or the general partners of a partnership or person performing 7 similar functions for any business applying for such a license;

8 [(1)] (2) "Breakage", the odd cents by which the amount payable on each

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

9 dollar wagered exceeds a multiple of ten cents, **or such other amount as set by the**
10 **commission;**

11 [(2)] **(3) "Commission", the Missouri [gaming] horse racing commission,**
12 **[created in section 313.004,] or its designate;**

13 **(4) "Commission on wagers", an amount retained and not returned to**
14 **patrons by a licensee from the total amount of pari-mutuel wagers;**

15 **(5) "Common pari-mutuel pool", a pool consisting of the pari-mutuel wagers**
16 **on a race placed and accepted at a racetrack or other facility outside the state**
17 **where pari-mutuel wagers are permitted, but no such facility shall be located in this**
18 **state;**

19 [(3)] **(6) "County", any county in the state of Missouri or the city of St. Louis;**

20 [(4)] **(7) "Horse", any equine, ass, mule, pony, or hybrid thereof;**

21 [(5)] **"Organization", any individual, political subdivision, state agency,**
22 **partnership, unincorporated association, firm, or corporation licensed by the**
23 **commission to conduct a horse racing meeting;]**

24 **(8) "Licensee", any individual, partnership, corporation, unincorporated**
25 **association, firm, or other business organization licensed by the commission to**
26 **conduct a race meeting and pari-mutuel wagering. If the licensee is a corporation,**
27 **partnership or other person as that term is defined in section 351.015, RSMo, the**
28 **term includes the officers and directors of the corporation or the general partners**
29 **of the partnership or person performing similar functions for any business that holds**
30 **a license;**

31 **(9) "Missouri bred horse", any equine which was foaled within this state;**

32 **(10) "Occupational licensee", any person licensed by the commission to**
33 **perform an occupation associated with racing, simulcasting or pari-mutuel**
34 **wagering, which the commission has identified as requiring a license;**

35 [(6)] **(11) "Pari-mutuel wagering", a form of wagering on the outcome of**
36 **[horse] races in which those who [wager purchase tickets] participate place wagers**
37 **of various denominations on a horse or horses in one or more races, all wagers are**
38 **pooled, and when the outcome of the race has been declared official, the total**
39 **wagers comprising each pool, less such amounts provided herein or which are**
40 **provided by law or rule, will be distributed to holders of winning tickets on the**
41 **[winning] horse or horses;**

42 **(12) "Pari-mutuel system", a computerized system or component of a system**
43 **that is used to transmit wagering data to and from a racetrack which participates**
44 **in common pari-mutuel pools;**

45 [(7)] **(13) "Public official", any elected member of the executive branch of**
46 **state government and any director of a state department, any judge other than a**
47 **judge of the municipal division of a circuit court, and any elected member of the**
48 **legislative branch of state government;**

49 **(14) "Race" or "racing", any type of horse race or horse racing;**

50 [(8) "Race meet" or] **(15) "Race meeting", [the whole period of time,**
51 **whether consecutive dates or those instances where nonconsecutive dates are**
52 **granted, for which a racetrack license to race has been granted to any one**
53 **organization by the commission;**

54 (9) "Racing", any type of horse racing.] **the activities conducted at a race**
55 **meeting grounds including live or simulcast races, all as licensed by the**
56 **commission, on any given date or series of dates;**

57 **(16) "Race meeting grounds", a racetrack licensed by the commission, and**
58 **any structures directly surrounding such racetrack under control of a licensee and**
59 **other property contiguous to such racetrack under control of a licensee;**

60 **(17) "Simulcast", the audio and visual transmission of a live, real-time race,**
61 **or series of races, provided in any manner approved by the commission;**

62 **(18) "Steward", a person designated by the commission to monitor race**
63 **meetings to ensure compliance with sections 313.500 to 313.720 and regulations**
64 **promulgated thereunder;**

65 **(19) "Stockholder", record owners of any class of stock and beneficial**
66 **owners of any kind specified in subsection 4 of section 313.600, that constitute five**
67 **percent or more of the licensee's stock or units of ownership. Notwithstanding the**
68 **preceding sentence, in the event the licensee is a subsidiary of a public company,**
69 **the term "stockholder" shall mean record owners of five percent or more of the**
70 **licensee's stock or units of ownership, and beneficial owners who have the**
71 **practical ability to control the management of a licensee. For purposes of this**
72 **subdivision, "public company" shall mean any company whose stock is traded on**
73 **the New York Stock Exchange, the Nasdaq National Market or any similar security**
74 **exchange.**

 313.510. 1. There is hereby created the "Missouri Horse Racing Commission",
2 which shall consist of five members appointed by the governor with the advice and
3 consent of the senate. **Members of the commission shall be citizens and eligible**
4 **voters of this state and shall not have been convicted of a felony. Not more than**
5 **three members shall be affiliated with the same political party and not more than**
6 **one member may be a resident of any one congressional district or of any single**

7 county or of the City of St. Louis. At least two of said members shall be horsemen
8 as such term is commonly understood in the industry. At least one member of the
9 commission shall have a publicly known position of concern over the expansion of
10 gambling in this state. Of the members first appointed, one shall be appointed for
11 a one-year term, one shall be appointed for a two-year term, one shall be
12 appointed for a three-year term, one shall be appointed for a four-year term, and
13 one shall be appointed for a five-year term; and thereafter members shall be
14 appointed for terms of five years. A minimum of twenty-five percent of all
15 commissioners appointed shall be minorities. The governor shall designate one of
16 the members to be chairman. The commission shall oversee the development and
17 administration of the pari-mutuel horse racing industry in Missouri. The commission
18 shall be assigned to the [Missouri gaming commission] department of public safety.

19 2. The governor shall designate one of the members as the chair.

20 3. The governor may remove any member of the commission from office for
21 malfeasance or neglect of duty in office.

22 4. In the event of a vacancy on the commission due to the removal,
23 resignation or death of a commission member, the governor shall appoint an
24 interim commissioner to serve the remainder of the unexpired term.

25 5. The commission shall perform all duties and have all the powers and
26 responsibilities conferred and imposed on it pursuant to sections 313.500 to 313.720,
27 related to horse racing and pari-mutuel wagering.

313.520. 1. [The horse racing commission shall not hire any person to be an
2 employee of the commission.] Subject to appropriations, the commission may hire
3 an executive director and such employees as it may deem necessary to carry out
4 the commission's duties. A minimum of twenty-five percent of employees hired by
5 the commission shall be minorities. The commission shall have authority to require
6 investigations of any employee or applicant for employment as deemed necessary
7 and use such information or any other information in determination of
8 employment. The commission shall promulgate rules and regulations establishing
9 a code of ethics for its employees that shall include, but not be limited to,
10 restrictions on which employees shall be prohibited from participating in or
11 wagering on any race subject to the jurisdiction of the commission or from placing
12 wagers subject to the jurisdiction of the commission. The commission shall
13 determine if any employees of the commission or any licensee shall be subject to
14 any restrictions on their ability to participate in any race meeting or wager at any
15 racetrack under the jurisdiction of the commission.

16 2. The duties of the executive director of the [gaming] commission[, in
17 addition to all other duties prescribed by law,] shall include the following:

18 (1) Taking and preserving records of all proceedings before the commission,
19 maintaining its books, documents, and records, and making them available for
20 public inspection;

21 (2) If so designated by the commission, acting as a hearing officer in
22 hearings;

23 (3) Acting as the commission's chief personnel officer and supervising the
24 employment, conduct, duties, and discipline of commission employees; and

25 (4) Performing other duties as directed by the commission.

26 3. Except as provided in subdivision [(7)] (5) of section 313.560, the officials
27 at any race meeting, [as this term is customarily understood in racing,] including by
28 way of enumeration only and not in limitation, placing judges, patrol judges, clerks
29 of the scales, starters and assistants, handicapper, timer, paddock judge,
30 veterinarians, racing secretary, and clerk of the course shall be paid by the
31 racetrack licensee.

 313.530. [Except as provided in section 313.620, all revenues derived or
2 generated from the licensing of racetracks and] 1. **Other than revenues designated**
3 **for the Missouri breeders fund pursuant to sections 313.652, 313.655 and 313.720, all**
4 **revenues derived or generated from the licensing fees, racetracks, civil or**
5 **administrative penalties, laboratory testing services fees, the** authorization of race
6 **meetings, races [under] and wagering pursuant to** sections 313.500 to [313.710]
7 **313.720, and all moneys received by the state[, and the commission [or the director**
8 **of revenue] from pari-mutuel wagering pools shall be [deposited by] transmitted to**
9 **the director of revenue for deposit** in the state treasury to be held in a special
10 account to be known as the "Missouri Horse Racing Fund". Interest earned on the
11 Missouri horse racing fund shall be credited to that fund. The money in the Missouri
12 horse racing fund shall be deposited in the state treasury and invested by the state
13 treasurer[, subject to appropriation as provided by the constitution and laws
14 enacted pursuant thereto]. **The Missouri horse racing fund shall be used to pay the**
15 **expenses of the commission to the extent that it is sufficient to satisfy the**
16 **commission's obligations.**

17 2. **Any surplus remaining in the Missouri horse racing fund at the end of a**
18 **fiscal year shall be deposited in the state treasury to the credit of the state school**
19 **moneys fund. Moneys deposited in this fund pursuant to this section shall be**
20 **considered the proceeds of racing and state funds pursuant to article IV, section**

21 **15 of the Missouri Constitution. All interest received on the horse racing proceeds**
22 **shall be credited to the state school moneys fund.**

313.540. 1. The commission shall have powers to [prescribe] **promulgate** and
2 enforce rules and regulations governing [horse] races, [and] race meetings **and**
3 **pari-mutuel wagering**. Such rules and regulations shall contain criteria to be used
4 by the commission for decisions on approving and revoking [racetrack] licenses and
5 **for** setting racing dates. The commission may delegate to **its employees or to** the
6 stewards such of the commission's powers and duties as may be necessary to carry
7 out and effectuate the purposes of sections 313.500 to [313.710] **313.720**. Any
8 decision or action of such **employees or** stewards may be appealed to the
9 commission or may be reviewed by the commission on its own initiative.

10 2. **Any rule or portion of a rule, as that term is defined in section 536.010,**
11 **RSMo, that is created under the authority delegated in this section shall become**
12 **effective only if it complies with and is subject to all of the provisions of chapter**
13 **536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536,**
14 **RSMo, are nonseverable and if any of the powers vested with the general assembly**
15 **pursuant to chapter 536, RSMo, to review, to delay the effective date or to**
16 **disapprove and annul a rule are subsequently held unconstitutional, then the grant**
17 **of rulemaking authority and any rule proposed or adopted after August 28, 2002,**
18 **shall be invalid and void.**

313.550. 1. The commission may issue subpoenas for the attendance of
2 witnesses or the production of any records, books, memoranda, documents, or
3 other papers or things, to enable [any of them] **it** to effectually discharge its [or his]
4 duties, and may administer oaths or affirmations as necessary in connection
5 therewith. In addition, the commission shall have the authority to issue subpoenas
6 [under] **pursuant to** section 536.077, RSMo, in contested cases.

7 2. Any person subpoenaed who fails to appear at the time and place
8 specified in answer to the subpoena and to bring any papers or things specified in
9 the subpoena, or who upon such appearance, refuses to testify or produce such
10 records or things, upon conviction, is guilty of a class A misdemeanor.

11 3. Any person who testifies falsely under oath in any proceeding before, or
12 any investigation by, the commission, its [secretary] **employees**, or the stewards,
13 upon conviction, shall be guilty of a class D felony **and a class C felony for second**
14 **and subsequent violations.**

313.560. The commission shall have all powers necessary and proper to fully
2 and effectively execute the provisions of sections 313.500 to [313.710] **313.720**

3 including, but not limited to, the following:

4 (1) The provisions of chapter 34, RSMo, to the contrary notwithstanding, the
5 executive director, pursuant to rules and regulations issued by the commission, may
6 directly purchase or lease such goods or services as are necessary for effectuating
7 the purposes of sections 313.500 to [313.710] **313.720**, provided however, that the
8 board of public buildings shall provide the principal office space for the
9 commission's staff. Contracts shall be awarded on the basis of lowest and best
10 bid. The executive director shall use state purchasing procedures except for
11 professional services or emergency purchases [necessary for the race meet]
12 authorized pursuant to section 34.100, RSMo. No contract awarded or entered into
13 by the executive director may be assigned by the holder thereof except with
14 specific approval of the commission;

15 (2) [The commission is vested with the power to enter without a search
16 warrant the office, horse racetrack, facilities, other places of business, residences,
17 tack rooms, vehicles and any other premises under the control of any licensee on
18 the grounds of a licensed association at all reasonable hours to determine whether
19 there has been compliance with the provisions of sections 313.500 to 313.710 and
20 rules and regulations promulgated thereunder, and to discover any contraband as
21 described in chapter 195, RSMo, or in rules promulgated pursuant to sections
22 313.500 to 313.710;

23 (3)] The commission is vested with the authority to investigate alleged
24 violations of the provisions of sections 313.500 to [313.710] **313.720**, its reasonable
25 rules and regulations, orders and final decisions; [the commission shall take
26 appropriate disciplinary action, including suspension or revocation of the license,
27 against any racetrack licensee or occupation licensee for violation thereof or
28 institute appropriate legal action for the enforcement thereof pursuant to
29 subdivision (10) of this section;

30 (4)] **(3)** The commission may eject or exclude from any race meeting [or
31 licensee] grounds [or any part thereof, any occupation licensee or], any [other]
32 individual whose conduct or reputation is such that his **or her** presence [on licensee
33 grounds] may, in the opinion of the commission, call into question the honesty and
34 integrity of [horse] racing or interfere with the orderly conduct of [horse] racing **or**
35 **pari-mutuel wagering**; provided, however, that no person shall be excluded or
36 ejected [from licensee grounds] on the grounds of race, color, creed, national
37 origin, ancestry, or sex. The commission shall by rule provide for an expedited

38 hearing for any occupation licensee excluded pursuant to this subsection;

39 [(5)] (4) The commission is vested with the power to acquire, establish,
40 maintain and operate, or provide by contract testing laboratories and related
41 facilities, for the purpose of conducting saliva, blood, urine and other tests on the
42 horses run or to be run in any race meeting and to lease or purchase all equipment
43 and supplies deemed necessary or desirable in connection with any such testing
44 laboratories and related facilities and all such tests. The commission shall explore
45 the feasibility of establishing such a testing facility at and in conjunction with the
46 University of Missouri, College of Veterinary Medicine. The racetrack licensee shall
47 on a per sample basis pay a fee as determined by the commission for such
48 laboratory testing services;

49 [(6)] The commission may require that the records, including financial or other
50 statements of any racetrack licensee under sections 313.500 to 313.710, shall be
51 kept in such manner as prescribed by the commission and that any racetrack
52 licensee submit to the commission on or before March fifteenth of each year, for
53 the preceding fiscal year of the licensee an annual audited balance sheet and
54 profit and loss statement and any other information the commission deems
55 necessary in order to effectively administer sections 313.500 to 313.710 and all rules,
56 regulations, orders and final decisions promulgated under sections 313.500 to
57 313.710. The fiscal year for any licensee shall be the calendar year;

58 (7)] (5) The commission shall require that there shall be three stewards at
59 each horse race meeting, who shall be appointed by the commission **and unless**
60 **directed by the commission, at least one steward shall be certified by the**
61 **Association of Racing Commissioners International or equivalent organization.** They
62 shall be paid for by the state and shall be considered state employees for all
63 purposes. Stewards appointed by the commission, while performing duties required
64 by sections 313.500 to [313.710] **313.720** or by the commission, shall be entitled to
65 the same rights and immunities as granted to commission members and employees
66 [under] **pursuant to** section 313.570;

67 [(8)] (6) The commission is vested with the power to impose civil penalties
68 of up to five thousand dollars against [individuals] **occupational licensees** and up
69 to ten thousand dollars against [organizations] **licensees** for each violation of any
70 provision of sections 313.500 to [313.710] **313.720**, any rules adopted by the
71 commission, any lawful order of the commission or any other action which, in the
72 commission's discretion, is found to be a detriment or impediment to [horse] racing

73 **or pari-mutuel wagering.** Such penalties, when recovered, shall be paid into the
74 Missouri horse racing fund. Any civil penalties so imposed shall be sued for by the
75 attorney general in the name of the state;

76 [(9)] **(7)** The commission may request that the attorney general make
77 investigations, on behalf of and in the name of the commission, and bring suits or
78 institute proceedings for any of the purposes necessary and proper for carrying out
79 the functions of the commission;

80 [(10)] **(8)** The commission may request that the Missouri state highway patrol
81 investigate or participate in such matters as it deems necessary. The Missouri state
82 highway patrol shall have authority to investigate the commission relative to the
83 operation and administration of sections 262.260 to 262.270, RSMo, and 313.500 to
84 [313.710] **313.720**, and to report suspected violations of state law or federal law by
85 the commission to the proper prosecuting authorities. In the event that a violation
86 of state law is reported to the proper prosecuting authority and no prosecution is
87 commenced within thirty days for alleged violations, the attorney general shall
88 have authority to commence prosecution for alleged violations of sections 262.260
89 to 262.270, RSMo, and 313.500 to [313.710] **313.720** or other criminal statutes alleged
90 to have been violated. The cost of personnel and related expenses in the Missouri
91 state highway patrol, including the division of drug and crime control, to
92 accomplish the purposes of this section shall be paid within the limits of
93 appropriations from general revenue, or from such other funding as may be
94 authorized by the general assembly.

313.561. In addition to the powers granted to the commission in section
2 **313.560, the commission shall have the following powers and duties relating to**
3 **applicants and licensees:**

4 **(1) To investigate the qualifications of each applicant pursuant to sections**
5 **313.500 to 313.720 before any license is issued and to continue to observe the**
6 **conduct of all licensees and other persons having a material involvement directly**
7 **or indirectly with the licensee;**

8 **(2) To deny any application or limit, condition, restrict, revoke, or suspend**
9 **a license of any person for any cause deemed reasonable by the commission. Any**
10 **person aggrieved by any action of the commission authorized in this subdivision**
11 **may appeal such action to the appropriate circuit court;**

12 **(3) To adopt standards for the conduct of pari-mutuel wagering on the race**
13 **meeting grounds, except that the commission shall not permit a licensee to accept**
14 **pari-mutuel wagers unless its facility on the race meeting grounds:**

15 (a) Is designed to seat patrons comfortably, with multiple screens to enable
16 each patron to view simulcast races;

17 (b) Is suitable for licensing by the division of liquor control; and

18 (c) Has food and beverage services available at all hours the facility is open
19 to the public for race meetings;

20 (4) To require a licensee to remove any person from the race meeting
21 grounds facility if such person violates any provision of sections 313.500 to 313.720
22 or any rule or regulation promulgated thereunder or if such person engages in
23 fraudulent practices;

24 (5) To enter without a search warrant the office, race meeting grounds, other
25 places of business, tack rooms, vehicles, and any other premises under the control
26 of any licensee at all reasonable hours to determine whether there has been
27 compliance with the provisions of sections 313.500 to 313.720 and the rules and
28 regulations promulgated thereunder, and to discover any substance or item
29 regulated in chapter 195, RSMo, or by rules and regulations promulgated pursuant
30 to sections 313.500 to 313.720;

31 (6) To require that the records, including financial or other statements of any
32 licensee pursuant to sections 313.500 to 313.720, shall be kept in such manner as
33 prescribed by the commission and that any licensee submit to the commission on
34 or before a date certain each year established by the commission, for the
35 preceding fiscal year of the licensee an annual audited balance sheet and profit-
36 and-loss statement and any other information the commission deems necessary in
37 order to effectively administer sections 313.500 to 313.720 and all rules, regulations,
38 orders, and final decisions promulgated pursuant to sections 313.500 to
39 313.720. The fiscal year for any licensee shall be the calendar year; and

40 (7) The commission may levy administrative penalties of up to two thousand
41 dollars per day against a licensee who violates the provisions of sections 313.500
42 to 313.720 or any rule or regulation promulgated thereunder.

313.562. A holder of any license shall be subject to impositions of penalties,
2 suspension or revocation of such license, or other action for any act or failure to
3 act by such person or such person's agents or employees, that is injurious to the
4 public health, safety, morals, good order, and general welfare of the people of this
5 state or that would discredit or tend to discredit the Missouri horse racing industry
6 or this state unless the licensee proves by clear and convincing evidence that it is
7 not guilty of such action. The commission shall take appropriate action against any
8 licensee who violates the law or the rules and regulations of the
9 commission. Without limiting other provisions of this section, the following acts or

10 omissions may be grounds for such discipline:

11 (1) Failing to comply with or make provisions for compliance with sections
12 313.500 to 313.720, the rules and regulations of the commission or any federal,
13 state, or local law or regulation;

14 (2) Failing to comply with any rule, order, or ruling of the commission or its
15 agents pertaining to horse racing or pari-mutuel wagering;

16 (3) Being suspended or ruled ineligible or having a license associated with
17 horse racing revoked or suspended in any state or jurisdiction;

18 (4) Associating with, either socially or in business affairs, or employing
19 persons of notorious or unsavory reputation or who have extensive police records,
20 or who have failed to cooperate with any officially constituted investigatory or
21 administrative body and who would adversely affect public confidence and trust
22 in horse racing or pari-mutuel wagering;

23 (5) Employing in any horse racing operation or associated facility any
24 person known to have been found guilty of cheating or using any improper device
25 in connection with any horse race, pari-mutuel wagering operation, or other type
26 of gaming;

27 (6) Use of fraud, deception, misrepresentation, extortion, threats, or bribery
28 in securing any permit or license issued pursuant to sections 313.500 to 313.720;

29 (7) Obtaining or attempting to obtain any fee, charge, or other
30 compensation by fraud, deception, misrepresentation, extortion, or threats;

31 (8) Incompetence, misconduct, gross negligence, fraud, misrepresentation,
32 or dishonesty in the performance of the functions or duties regulated by sections
33 313.500 to 313.720.

313.580. 1. Pari-mutuel wagering shall only be conducted within the grounds
2 or enclosure of a racetrack licensed by the commission and shall only be
3 conducted with respect to [horse] races [and], race meetings [which have been
4 authorized by the commission at such licensed racetrack] or simulcasts.

5 2. No [organization] **entity** shall conduct pari-mutuel wagering on [horse]
6 racing without a valid [racetrack] license issued by the commission [with respect to
7 the conduct of horse racing and race meets authorized by the commission]. Any
8 [organization] **entity** desiring to conduct pari-mutuel wagering on [horse] racing
9 shall apply to the commission for a [racetrack] license and shall provide the
10 information required by the commission before a license may be issued.

11 [2.] 3. The commission shall not issue any [racetrack] license to any
12 [individual or organization] **applicant**:

13 (1) Who has or which has an officer, director, **member, manager,** or
14 stockholder who has been convicted of a felony;

15 (2) Who has or which has an officer, director, **member, manager,** or
16 stockholder who has been convicted of or pleaded nolo contendere to any illegal
17 gambling activity; or

18 (3) Who is or which has an officer, director, **member, manager,** or
19 stockholder who is not of good moral character. [As used in this subsection, the
20 term "stockholder" shall mean record owners of any class of stock, and beneficial
21 owners of any class of stock as provided in subsection 4 of section 313.600, which
22 constitutes two percent or more of the licensee's stock.

23 **3.] 4.** The commission shall not issue any license for a racetrack unless the
24 commission has first determined:

25 (1) That the applicant would be a suitable licensee;

26 (2) That a licensed racetrack at the proposed location would be in the
27 public interest;

28 (3) That the proposed racetrack operation is economically feasible;

29 (4) That the proposed racetrack's establishment would not be detrimental
30 to the development of a sound [horse] racing program for Missouri;

31 (5) That any financing of applicant's proposed operations is adequate and
32 comes from a source that is not detrimental to the public interest; [and]

33 (6) That the applicant has complied with all requisite provisions of law and
34 of rules and regulations promulgated by the commission; **and**

35 **(7) That the proposed racetrack would be located within a county in which**
36 **a majority of the voters have approved excursion gambling boats.**

37 **[4.] 5.** If any organization is ineligible to be granted a [racetrack] license
38 because of any of the matters set forth in this section, any other affiliated
39 organization or person that is either controlled, directly or indirectly, by such
40 ineligible organization or person shall also be ineligible.

41 **[5.] 6.** The commission shall only license the number of racetracks and
42 authorize the number of races which it determines to be in the public interest and
43 economically feasible.

44 **7. Licenses granted by the commission shall be valid until revoked by the**
45 **commission for cause following proper notice and an opportunity for hearing.**

46 **8. No public funds or powers of eminent domain shall be used for the**
47 **purchase, construction, operation, or maintenance of any privately-owned race**

48 meeting grounds, nor shall any redevelopment plan be adopted pursuant to
49 sections 99.800 to 99.865, RSMo, after January 1, 2002, for tax-increment financing
50 projects that include privately-owned race meeting grounds.

51 9. No games of chance, games of skill or other gaming devices or practices
52 shall be permitted on the race meeting grounds other than pari-mutuel wagering
53 on live races or the simulcast of live races.

313.583. 1. An application to receive a license constitutes a request for a
2 determination of the applicant's general character, integrity, and suitability for
3 licensure. Such determination shall be made by the commission after due
4 investigation of the applicant. The applicant for such license shall file with its
5 application an application fee of fifty thousand dollars. If the cost of the
6 commission's investigation exceeds the total amount of the fee paid by the
7 applicant pursuant to this section, the commission may assess additional fees as
8 it deems appropriate; however, if the applicant is denied a license, the applicant
9 shall be entitled to a refund of the difference between the application fee and the
10 actual costs of the investigation.

11 2. Applications for a license shall be made, processed, and determined
12 using such forms as the commission may require. The application shall fully identify
13 the applicant, include evidence of the financial responsibility of the applicant,
14 describe the names and identification of those who will supervise the wagering,
15 describe the controls and supervision by the licensee and describe the general
16 physical layout of the track and its location.

17 3. In acting on applications for licenses, the commission shall require all
18 applicants to implement a good faith affirmative action effort and to furnish the
19 commission with a description of plans for compliance with all laws pertaining to
20 discrimination, equal employment, and affirmative action; policies regarding
21 recruitment, use and advancement of minorities; policies with respect to minority
22 contracting; a copy of the equal employment opportunity statement and policy of
23 the applicant dated and signed by the chief executive officer; and a copy of the
24 affirmative action policy and procedures of the applicant dated and signed by the
25 chief executive officer; and identification of the affirmative action officer, including
26 name, title, address, and telephone number.

313.585. 1. The commission shall not issue a license to operate to an
2 applicant unless the applicant affirms that it will make a capital investment in its
3 race meeting grounds in Missouri exceeding ten million dollars within the first forty-
4 two months after licensure, and that it will conduct at least:

5 (1) Twenty days of live racing in this state within eighteen months following

6 licensure;

7 (2) Thirty days of live racing in this state during the next twelve-month
8 period; and

9 (3) Fifty days of live racing in this state during each twelve-month period
10 thereafter.

11 The commission shall only have authority to waive, suspend, or modify the
12 provisions of this section in the event that circumstances beyond the control of the
13 applicant or licensee prevent the applicant or licensee from complying with such
14 requirements.

15 2. In the event that a licensee does not make a capital investment or own
16 and operate a live racetrack that conducts the minimum number of days of live
17 racing in Missouri as set forth in subsection 1 of this section, the commission shall
18 restrict, revoke, suspend, or place on probation the licensee's right to operate until
19 the licensee adequately demonstrates an ability to satisfy the requirements of
20 subsection 1 of this section.

21 3. The commission shall not issue a license to any applicant unless the
22 applicant establishes by clear and convincing evidence that it will timely arrange
23 for the capital investment in its race meeting grounds as set forth in subsection 1
24 of this section so as to demonstrate a significant financial commitment to the host
25 community.

26 4. The commission shall not issue a license to any applicant except upon the
27 express condition and representation that the licensee shall not, by any lease,
28 contract, understanding or arrangement of whatever kind or nature, grant, assign,
29 transfer or turn over to any person, corporation, partnership or business, the
30 ownership, operation or management of the track without the prior approval of the
31 commission. Nothing contained in this section prohibits:

32 (1) The licensee from paying a percentage of the amounts wagered at its
33 race meeting grounds to a track for the right to be part of a common pari-mutuel
34 pool and for the right to receive a simulcast from such racetrack; or

35 (2) The licensee from paying a percentage of the amounts wagered at its
36 race meeting grounds to an individual, corporation, partnership, or other entity as
37 compensation for the services of a pari-mutuel system.

313.587. 1. A licensee shall not use a pari-mutuel system unless the system
2 has been approved for use by the commission. The physical location of the system
3 may be in a state other than Missouri. A pari-mutuel wagering system shall:

4 (1) Include a fully redundant computer;

5 (2) Receive, aggregate by pool, and report to a track at regular intervals,

- 6 all pari-mutuel wagering information received from the licensee;
- 7 (3) Receive and report to the licensee at regular intervals all wagering data
- 8 received from the racetrack to the system;
- 9 (4) After each race on which pari-mutuel wagering is conducted and which
- 10 is declared official, receive and report to the licensee the results and payoff prices
- 11 reported by the track; and
- 12 (5) Provide all accounting and reconciliation reports required by the
- 13 commission.
- 14 2. Operators of the pari-mutuel system shall:
- 15 (1) Be subject to such regulatory supervision as the commission deems
- 16 appropriate;
- 17 (2) Put in place and use communication equipment to supplement that used
- 18 to transmit simulcasts and to facilitate the pari-mutuel wagering system to ensure
- 19 that the operator is:
- 20 (a) Able to contact each licensee immediately; and
- 21 (b) Able at all times to respond immediately to licensee requests for
- 22 confirmation of information included in the simulcasts or otherwise generated by
- 23 the pari-mutuel system.

313.590. A [racetrack licensed under section 313.580] **licensee** shall post a

2 bond payable to the state of Missouri, before the license is issued, in an amount set

3 by the commission, with sureties to be approved by the commission. The bond shall

4 be used to guarantee that the licensee **satisfies its obligation to maintain all**

5 **facilities for which it is licensed**, faithfully makes the payments, keeps its books and

6 records and makes reports, and conducts its racing **and wagering** activity in

7 conformity with sections 313.500 to [313.710] **313.720** and the rules adopted by the

8 commission. The bond shall not be canceled or assigned by a surety on less than

9 thirty days' notice in writing to the commission. If a bond is canceled and the

10 licensee fails to file a new bond with the commission in the required amount on or

11 before the effective date of cancellation, the licensee's license shall be

12 revoked. The total and aggregate liability of the surety on the bond is limited to the

13 amount specified in the bond.

313.600. 1. [Whenever any organization has been granted a racetrack

2 license to conduct a horse race meeting,] No officer or director of [such

3 organization] **a licensee**, or person [who will thereby] **proposed to** become [the

4 owner or holder, directly or indirectly, of five percent or more of the shares of stock

5 or certificates or other evidence of ownership] **a stockholder** in such [organization]

6 **licensee**, may become [the owner or holder, directly or indirectly, of any such
7 shares of stock or certificates or other evidence of ownership] **a stockholder** without
8 first having obtained the approval of the commission. The commission may, after
9 hearing, revoke or suspend a [racetrack] license granted to any [organization]
10 **licensee** which shall register on its books in the name of any such officer, director,
11 or person its share of stock or certificate or other evidence of ownership of any
12 interest in the organization without the prior approval of the commission or which
13 shall knowingly permit any such officer, director, or person to be directly or
14 indirectly interested in its share of stock or certificates or other evidences of
15 ownership of any interest in the organization without reporting the same to the
16 commission or which violates any rules or regulations of the commission.

17 2. Whenever the commission shall give to any officer or director of any
18 [organization] **licensee**, or person [who will thereby] **proposed to** become [the
19 owner or holder, directly or indirectly, of five percent or more of the shares of stock
20 or certificates or other evidences of ownership of any interest in an organization]
21 **a stockholder in a licensee**, its approval to [own or hold the shares of stock or
22 certificates or other evidences of ownership of any interest] **become a stockholder**
23 in any such [organization] **licensee**, it shall, by registered mail, notify the
24 organization of such approval. Under no circumstances shall the commission give
25 such approval to any such officer, director or person who has been convicted of
26 or is under an indictment for a crime involving moral turpitude [or has violated any
27 provisions of the racing law of any state or any rules or regulations of the
28 commission of any state] **or a felony**.

29 3. The commission shall require all licensees, including any officers and
30 stockholders thereof, to disclose fully to the commission all financial interests that
31 they may have in horse racing **that are deemed relevant by the commission**.

32 4. The commission shall require each licensee [under] **pursuant to** this section
33 to maintain records [of owners of stock of the licensee so that the names of all
34 persons, including corporations, trusts, estates, and partnerships, who are the
35 beneficial owners of the stock are disclosed] **its stockholders**, regardless of the
36 manner in which, or whether, the ownership interest is stated or registered on the
37 stock of the licensee. **For purposes of determining stockholders**, beneficial
38 ownership includes, but is not limited to record ownership and:

39 (1) Stock or other ownership in one or more entities in a chain of parent and
40 subsidiary or affiliated entities, any one of which participates in the capital or profits

41 of a licensee, regardless of the percentage of ownership involved; or

42 (2) Any interest which entitles a person to benefits substantially equivalent
43 to ownership by reason of any contract, understanding, relationship, agreement,
44 or other arrangement, even though the person is not the record owner. Unless
45 there are special circumstances, securities held by an individual's spouse or
46 relatives, including children, living in the home, are beneficially owned by the
47 individual.

48 5. In addition to any other action which is necessary to obtain disclosure of
49 [beneficial ownership of stock] **stockholders**, the commission shall require each
50 licensee, at least once every calendar year, to obtain, pursuant to written notice
51 to the [record owners of all stock] **stockholders** of the licensee, an affidavit from
52 each [record owner owning two percent or more] **stockholder**, sworn to under the
53 penalty of perjury, stating to the best of the affiant's knowledge, information and
54 belief:

55 (1) Whether any person other than the affiant has any right of beneficial
56 ownership of any kind in the stock held in the name of the affiant;

57 (2) The name and address of the other person; and

58 (3) The amount and nature of the ownership.

59 6. If the licensee receives information indicating that a person other than the
60 record owner has a beneficial ownership interest in stock of the licensee, the
61 licensee shall request promptly by written notice to the other person, that this
62 person submit to the licensee within sixty days from the date of the notice an
63 affidavit, sworn to under the penalty of perjury, stating to the best of the affiant's
64 knowledge, information and belief:

65 (1) Whether the affiant has any right of ownership in stock of the licensee
66 attributed to the affiant in the notice and the amount and nature of the ownership;

67 (2) Whether any person other than the affiant and the record owner has any
68 right of ownership of any kind in stock of the licensee attributed to the affiant by
69 the notice to the affiant; and

70 (3) The amount and nature of the ownership of any other person.

71 7. Notwithstanding the affidavit requirements of this subsection, the
72 commission may limit the ownership that must be reported in an affidavit to [two]
73 **five** percent or more of the beneficial ownership of the licensee.

74 8. Each licensee shall submit the ownership records and affidavits required
75 by this section to the commission annually and at the other times required by the

76 commission. Any change in the [record ownership or beneficial ownership of stock]
77 **stockholders** of any licensee shall be reported promptly to the commission. Upon
78 the failure of any licensee to maintain and report records of ownership of stock, as
79 required by this subsection, or the failure of any licensee to make a reasonable
80 effort to obtain the affidavits required by this subsection, the commission shall
81 suspend or revoke the license of the track for a period determined by the
82 commission.

83 9. All statements required to be filed with the commission shall be filed under
84 oath and shall be signed by the officers of the corporation, or, if unincorporated,
85 by the owner or all the partners, general and limited, of the licensee.

313.605. 1. [In addition to the provisions of subsection 1 of this section,] No
2 [organization] **entity** shall be granted a [racetrack] license [to hold a race meeting
3 in this state] and the commission may revoke or suspend a [racetrack] license if any
4 public official of the state or his or her spouse, children or parents hold any financial
5 interest, directly or indirectly, in the shares of stock or certificates or other evidences
6 of ownership in [the organization] **such entity or licensee. No entity shall be**
7 **granted a license and the commission may revoke or suspend a license if any**
8 **stockholder of a licensee has any financial interest, directly or indirectly, in the**
9 **ownership of any other gaming activity or gaming business unrelated to horse**
10 **racing.**

11 2. No [organization which has been granted a racetrack license to hold a
12 race meeting] **licensee** shall give to any public official or his or her spouse, children
13 or parents, directly or indirectly, for or without consideration any interest in shares
14 of stock or certificates or other evidences of ownership [in the organization]. The
15 commission shall, after hearing, revoke the [racetrack] license granted to [an
16 organization] **any entity** which has violated this subsection.

313.610. Any [organization] **entity** conducting a horse race [or race meeting]
2 at which pari-mutuel wagering is conducted without a valid license issued pursuant
3 to sections 262.260 to 262.270, RSMo, and 313.500 to [313.710] **313.720** shall upon
4 conviction be guilty of a class B felony.

313.620. 1. The commission shall prescribe by rule the amount and
2 frequency of [application fees and] per day licensing fees for racetracks where
3 pari-mutuel wagering is permitted.

4 2. The commission may prescribe by rule license fees for race [meets]
5 **meetings** with respect to which pari-mutuel wagering is conducted.

6 3. All funds received from application fees, per day licensing fees and other
7 licensing fees shall be **collected by the commission and transmitted to the**
8 **department of revenue to be** deposited in the [state treasury to the credit of the
9 general revenue fund, and shall not be transferred except by appropriation as
10 provided by the constitution and laws enacted pursuant thereto] **Missouri horse**
11 **racing fund.**

 313.630. 1. **Each licensee shall pay to the commission an admission fee of**
2 **three dollars for each person entering the race meeting grounds. All revenue**
3 **received by the commission from the race meeting grounds admission fee shall be**
4 **deposited in the state treasury by the commission to the credit of the Missouri horse**
5 **racing fund.**

6 2. In lieu of any state or local sales tax on the gross receipts from admissions
7 paid by persons attending the races and in lieu of any state or local amusement
8 or entertainment tax, there is hereby imposed on each [organization licensed to
9 conduct horse races under the provisions of sections 313.510 to 313.710] **licensee**
10 a tax equal to ten percent of all moneys received each day from admissions paid
11 by persons attending the [races] **race meeting** for deposit in the [state treasury to
12 the credit of the general revenue fund. The general assembly shall appropriate
13 money from general revenue, up to one-half of the amount credited annually
14 pursuant to this section, to municipalities and counties in the area in which races
15 are conducted to assist the funding of services and facilities required by the
16 conduct of racing in such municipality or county. Any county or municipal racing
17 authority shall be subject to the rules and regulations of the commission] **Missouri**
18 **horse racing fund.**

 313.631. Every [organization licensed to conduct horse races under the
2 provisions of sections 262.260 to 262.270, RSMo, and 313.500 to 313.710] **licensee**
3 shall so keep its books and records as to clearly show the true number of admissions
4 **to its race meeting**, the total amount of money contributed to each pari-mutuel
5 pool on each race [separately] **run at its track, the total amount of money**
6 **contributed to each pari-mutuel pool on which it accepts wagers**, and the amount
7 of money received daily from admission fees and within thirty days after the
8 conclusion of every [race meeting] **month**, shall submit to the commission a
9 complete accounting of all such receipts and admissions.

 313.640. 1. Every individual participating in horse racing, whether as a
2 [racetrack] licensee, holder of any interest in a [racetrack license] **licensee**,

3 association employee, concessionaire contract holder, and owner or general
4 manager of same, concessionaire employee, or racing official, and all other
5 individuals whose duties require them to be present on [association premises] **race**
6 **meeting grounds** during racing hours, or to regularly visit such premises during
7 racing hours, are required to have an occupation license from the commission
8 authorizing them to be employed on the licensed premises and to practice their
9 business, profession, or skill. The following individuals are not required to obtain an
10 occupation license:

11 (1) Public officers and public employees engaged in the performance of
12 their official duties; and

13 (2) Individuals exempted by the commission.

14 License applicants shall be required to furnish to the commission a set of fingerprints
15 and a recent photograph and shall be required to be refingerprinted or
16 rephotographed periodically.

17 2. Each application for an occupation license shall be on forms prescribed
18 by the commission. Such occupation license, when issued, shall be for a period up
19 to one year, except that the commission in its discretion may grant up to three-year
20 licenses. **An occupational license shall not be granted unless the applicant has,**
21 **through clear and convincing evidence, demonstrated his or her suitability to be**
22 **licensed. The commission may reopen occupational licensing hearings at any**
23 **time.** The application shall be accompanied by a license fee which shall be set by
24 the commission. Each applicant **for an occupational license** shall set forth in the
25 application his **or her** full name and address, and if he **or she** has been issued prior
26 occupation licenses or has been licensed in any other state under any other name,
27 such name, his **or her** age, whether a permit or license issued to him **or her** in any
28 other state has been suspended or revoked and if so whether such suspension or
29 revocation is in effect at the time of the application, and such other information as
30 the commission may require. [The commission shall also determine fees for
31 registration of stable names. Fees collected for registration of stable names shall
32 be deposited in the state treasury to the credit of general revenue and subject to
33 appropriation as provided by law.]

34 3. The commission may in its discretion refuse an occupation license to any
35 individual:

36 (1) Who has been convicted of a crime;

37 (2) Who is unqualified to perform the duties required of such applicant;

38 (3) Who fails to disclose or states falsely any information called for in the
39 application;

40 (4) Who has been found guilty of a violation of sections 313.500 to [313.710]
41 **313.720** or of the rules and regulations of the commission;

42 (5) Whose occupation license or permit has been suspended, revoked, or
43 denied for just cause in any state;

44 (6) Who is a past or present member or participant in organized crime as
45 such membership or participant may be found or determined by the commission;

46 (7) Who is an illegal alien;

47 (8) Who is an employee of the commission or any spouse, child, brother,
48 sister, or parent of an employee or member of the commission; or

49 (9) For any other just cause.

50 4. The commission may suspend or revoke any occupation license:

51 (1) For violation of any of the provisions of sections 313.500 to [313.710]
52 **313.720**; or

53 (2) For violation of any of the rules or regulations of the commission; or

54 (3) For any cause which, if known to the commission, would have justified
55 the commission in refusing to issue such occupation license; or

56 (4) For any other just cause.

57 5. [At least eighty percent of all individuals employed directly at each and
58 every race meeting by an organization licensed to conduct horse racing under
59 sections 313.500 to 313.710 shall be residents of the state of Missouri for a period of
60 ninety days next preceding the date of employment and during the course of
61 employment.

62 6.] In acting on applications for organization licenses, the commission shall
63 require all applicants to implement a good faith affirmative action effort to recruit,
64 train, and upgrade minorities in all classifications of employment by the
65 applicant. The applicant shall furnish the commission with a description of plans for
66 compliance with all laws pertaining to discrimination, equal employment, and
67 affirmative action; policies regarding recruitment, use, and advancement of
68 minorities; policies with respect to minority contracting; a copy of Equal
69 Employment Opportunity Statement and Policy of the applicant dated and signed
70 by the chief executive officer; and a copy of Affirmative Action Policy and
71 Procedures dated and signed; and identification of the affirmative action officer,
72 including name, title, address, and telephone number.

313.652. 1. Any [organization licensed by the commission to conduct a horse
2 race meeting] **licensee** may provide places in the race meeting grounds or
3 enclosure and may conduct and supervise therein the pari-mutuel system of
4 wagering by patrons [of] **on** the [horse] races conducted by such organization
5 licensee at such **race meeting or on simulcasts**.

6 2. No other [place or] method of betting, pool making, wagering, or
7 gambling shall be used or permitted by the [racetrack] licensee. Each [racetrack]
8 licensee shall deduct the following amounts on all **live** races conducted by it:
9 eighteen percent of the regular mutuel pool, twenty percent of the multiple mutuel
10 pool involving two horses, and twenty-five percent of the multiple mutuel pool
11 involving three or more horses. **Simulcasting shall be taxed at the same rate as live**
12 **racing as provided in sections 313.652 & 313.655.** "Regular mutuel pool" means a
13 separate wagering pool in which an interest is represented by a single ticket
14 evidencing a single wager on one horse. "Multiple mutuel pool" means a separate
15 wagering pool in which an interest is represented by a single wager on two or more
16 horses. For the first one hundred million dollars of the total pari-mutuel pool for [the
17 licensed race meeting] **live races**, each racetrack licensee shall apply the amounts
18 deducted as follows:

19 (1) One percent of the regular mutuel pools, one and one-quarter percent
20 of the multiple mutuel pools involving two horses, and one and one-half percent
21 of the multiple mutuel pools involving three or more horses shall be paid to the
22 commission;

23 (2) Eight percent of the regular mutuel pools, eight and three-quarters
24 percent of the multiple mutuel pools involving two horses, and eleven percent of
25 the multiple mutuel pools involving three or more horses shall be allocated for purse
26 money. The formula for distribution of the purse money shall be determined by an
27 agreement between an organization representing **a majority of** the horsemen and
28 the tracks, the agreement to be subject to the approval of the commission;

29 (3) One-half of one percent of the regular mutuel pools, three-quarters of
30 one percent of the multiple mutuel pools involving two horses, and one percent of
31 the multiple mutuel pools involving three or more horses shall be [used for breeder
32 incentives. The method of payment and distribution of breeder incentives shall be
33 set forth by the commission in rules] **paid to the Missouri breeders fund**;

34 (4) Eight and one-half percent of the regular mutuel pools, nine and
35 one-quarter percent of the multiple mutuel pools involving two horses, and eleven

36 and one-half percent of the multiple mutuel pools involving three or more horses
37 shall be retained by the licensee.

38 3. For the next fifty million dollars of the total pari-mutuel pool for the
39 [licensed race meeting] **live races in the twelve-month period**, each racetrack
40 licensee shall apply the amount deducted as follows:

41 (1) Two percent of the regular mutuel pools, two percent of the multiple
42 mutuel pools involving two horses, and two percent of the multiple mutuel pools
43 involving three or more horses shall be paid to the commission;

44 (2) Seven and one-half percent of the regular mutuel pools, eight and
45 one-half percent of the multiple mutuel pools involving two horses, and ten and
46 one-half percent of the multiple mutuel pools involving three or more horses shall
47 be allocated for purse money. The formula for distribution of the purse money shall
48 be determined by an agreement between an organization representing the
49 horsemen and the tracks, the agreement to be subject to the approval of the
50 commission;

51 (3) One-half of one percent of the regular mutuel pools, three-quarters of
52 one percent of the multiple mutuel pools involving two horses, and one percent of
53 the multiple mutuel pools involving three or more horses shall be [used for breeder
54 incentives. The method of payment and distribution of breeder incentives shall be
55 set forth by the commission in rules] **paid to the Missouri breeders fund**;

56 (4) Eight percent of the regular mutuel pools, eight and three-quarters
57 percent of the multiple mutuel pools involving two horses, and eleven and one-half
58 percent of the multiple mutuel pools involving three or more horses shall be
59 retained by the licensee.

60 4. For all amounts of the total pari-mutuel pool for the [licensed race
61 meeting] **live races in the twelve-month period** in excess of one hundred fifty million
62 dollars, each racetrack licensee shall apply the amount deducted as follows:

63 (1) Four percent of the regular mutuel pools, four percent of the multiple
64 mutuel pools involving two horses, and four percent of the multiple mutuel pools
65 involving three or more horses shall be paid to the commission;

66 (2) Six and one-half percent of the regular mutuel pools, seven and
67 one-quarter percent of the multiple mutuel pools involving two horses, and nine
68 and one-half percent of the multiple mutuel pools involving three or more horses
69 shall be allocated for purse money. The formula for distribution of the purse money
70 shall be determined by an agreement between an organization representing the

71 horsemen and the tracks, the agreement to be subject to the approval of the
72 commission;

73 (3) One-half of one percent of the regular mutuel pools, three-quarters of
74 one percent of the multiple mutuel pools involving two horses, and one percent of
75 the multiple mutuel pools involving three or more horses shall be [used for breeder
76 incentives. The method of payment and distribution of breeder incentives shall be
77 set forth by the commission in rules] **paid to the Missouri breeders fund**;

78 (4) Seven percent of the regular mutuel pools, eight percent of the multiple
79 mutuel pools involving two horses, and ten and one-half percent of the multiple
80 mutuel pools involving three or more horses shall be retained by the licensee.

81 5. Each [racetrack] licensee shall pay to the commission, within three days
82 after each day of racing, a tax at the rate specified in this section on the total
83 amount of money wagered on all races that day. The payment of the tax shall be
84 accompanied by a statement of the [racetrack] licensee, or his **or her** duly
85 authorized agent under oath, showing the amount of money wagered that day.

86 6. Breakage paid in the Missouri horse racing fund shall not be specially
87 allocated for purse money for special races, for breeder and owner awards and for
88 horse racing development; however, breakage may be used for these purposes.

89 7. Unclaimed winnings paid into the Missouri horse racing fund shall not be
90 specially allocated for purse money for special races, for breeder and owner
91 awards and for horse racing development; however, unclaimed winnings may be
92 used for these purposes.

93 [8. All moneys provided for breeder incentives shall not lapse and interest
94 earned on such moneys shall be credited the account. The provisions of section
95 33.080, RSMo, to the contrary notwithstanding, these funds shall not be transferred
96 and placed to the credit of the general revenue fund at the end of each
97 biennium.]

313.655. 1. [An organization licensed to conduct racing in this state, with the
2 approval of the commission,] **Any licensee** may contract to conduct pari-mutuel
3 wagering on a simulcast of horse races held at racetracks in this state or other
4 states or countries where the conduct of racing and wagering is permitted by law.

5 2. Any wagering made under this section shall take place within the confines
6 of the licensee's [racetrack] **race meeting grounds** pursuant to rules promulgated
7 by the commission. [The licensed racetrack may simulcast up to, but not more than
8 the number of days in which it conducts live racing.] **A licensee may conduct pari-**

9 **mutuel wagering on simulcasts with no limit on the number or frequency of such**
10 **simulcasts at locations within its race meeting grounds.**

11 3. Computation of the total takeout and breakage for wagering made
12 under this section shall be the same as that normally applicable to racing
13 conducted by the [licensee] **racetrack at which the races in question are held, as**
14 **determined by the commission.**

15 4. After deducting from the takeout the applicable tax of this state on the
16 entire **portion of the pari-mutuel pool originating within the confines of the licensee's**
17 **race meeting grounds**, the amount to be paid under the terms of the contract to
18 the racetrack from which the race or races will be simulcast, and the cost of
19 transmission, the remainder shall be allocated in the same proportions as normally
20 applicable to racing conducted by the licensee.

21 5. The terms and conditions of any contract [with a racetrack] **for**
22 **simulcasting from race meeting grounds** made [under] **pursuant to** this section are
23 subject to the approval of the respective groups which represent a majority of the
24 horsemen racing at the track licensed by the commission [and a majority of the
25 applicable breeders in this state].

26 [6.] The provisions of the Federal Interstate [Horseracing] **Horse Racing Act**
27 of 1978, Title 15, Sections 3001 [through] **to 3007, [U.S. Code] U.S.C., as amended,**
28 shall be instructive regarding the intent of this [section] **subsection.**

29 **6. A licensee may contract with a race track or off-track betting system in**
30 **another jurisdiction outside Missouri so that the licensee's live races are the subject**
31 **of simulcasting outside this state. Pari-mutuel wagering on the licensee's live races**
32 **is permitted when approved by the licensee and conducted in accordance with**
33 **the Interstate Horse Racing Act of 1978, Title 15, Section 3001 to 3007, U.S.C. as**
34 **amended. The revenue that a licensee receives from such simulcast wagering shall**
35 **be retained by the licensee, subject to a deduction of that amount allocated to**
36 **purse money as determined by an agreement between the licensee and the**
37 **organization that represents a majority of the horsemen racing at the track.**

313.660. 1. No individual shall for a fee, directly or indirectly, accept
2 anything of value to be wagered or to be transmitted or delivered for wager in any
3 pari-mutual system of wagering on [horse] racing or for a fee deliver anything of
4 value which has been received outside of the [enclosure of a racetrack holding a
5 horse race licensed under sections 313.500 to 313.710 to be placed as wagers in the
6 pari-mutual pool within such enclosure.

7 **2.] race meeting grounds licensed pursuant to sections 313.500 to**

8 **313.720.** Any individual violating the provisions of this section shall upon conviction
9 be guilty of a class C felony.

10 **2. A person is guilty of a class A misdemeanor for any of the following:**

11 **(1) Operating pari-mutuel wagering without a license issued by the**
12 **commission; or**

13 **(2) Operating pari-mutuel wagering where wagering is permitted other than**
14 **in the manner specified by sections 313.500 to 313.720.**

313.662. A licensee shall allow patrons to cash an outstanding pari-mutuel
2 **ticket for a given race up to one hundred eighty days from the date on which said**
3 **race is made official. Tickets which are not redeemed within such time become**
4 **valueless and the sum of money represented by such tickets, including breakage,**
5 **accrue to the licensee.**

313.670. 1. No [racetrack] licensee shall knowingly permit any individual
2 under the age of eighteen years unless accompanied by a parent or guardian over
3 the age of eighteen to be admitted to any pari-mutual wagering area during a
4 race meeting, nor shall any [racetrack] licensee knowingly permit any person under
5 the age of eighteen years to wager on any [horse] race conducted by the
6 [organization] licensee.

7 2. No individual under the age of eighteen years shall knowingly make or
8 attempt to make any wager on any horse race subject to the provisions of sections
9 262.260 to 262.270, RSMo, and 313.500 to [313.710] **313.720.**

10 3. Any individual who violates this section shall upon conviction be guilty of
11 a class A misdemeanor.

313.720. 1. There is hereby created a "Missouri Breeders Fund", which shall
2 not represent revenue collected and moneys received by the state. **The fund shall**
3 **be used to establish a program to encourage and reward the owners and breeders**
4 **of Missouri-bred horses that win races in this state. Such a program may be**
5 **established by rules and regulations promulgated by the commission. The program**
6 **shall include a "Missouri-Bred" event within two years of the first race held and such**
7 **event will be held at least five times each calendar year or such greater number**
8 **as prescribed by the commission.**

9 2. The fund shall consist of those funds set aside for breeder incentives as
10 provided in [section 313.710] **sections 313.500 to 313.720**, such registration fees for
11 the owners and breeders of Missouri-bred horses as the commission may provide by
12 rule, such gifts, or bequests as the fund may from time to time receive and such
13 funds as the general assembly may provide. [Any gift or bequest shall be credited

14 to such account as the donor or devisee may provide. If no specific account is
15 provided by the donor or designee, such gift or bequest shall be divided equally
16 among the three accounts.]

17 3. The Missouri breeders fund shall be administered by the commission, with
18 the advice and assistance of advisory committees designated for that purpose by
19 the rules of the commission. The commission shall, at least biennially, carry out such
20 audits as provided by rule. The costs of administration shall be borne by the
21 fund. The commission shall have authority to promulgate such rules as may be
22 necessary or desirable for the efficient operation of the Missouri breeders fund and
23 to provide incentives for breeders and owners of Missouri-bred horses.

24 4. The Missouri breeders fund shall not lapse and the interest earned on such
25 fund shall be credited to the fund. The provisions of section 33.080, RSMo, to the
26 contrary notwithstanding, funds in the Missouri breeders fund shall not be transferred
27 and placed to the credit of the general revenue fund at the end of each biennium.

**Section 1. The district shall award at least twenty-five percent of the
2 aggregate dollar amount of all contracts to provide goods and services to the
3 commission to minority business enterprises as defined by the office of
4 administration. No contract awarded or entered into by the director may be
5 assigned by the holder thereof except by specific approval of the commission. Any
6 contract awarded to any horse race commission contractor or vendor shall provide
7 that such contractor or vendor shall award a minimum of twenty-five percent of
8 subcontracted business to minority business enterprises as defined by the office of
9 administration.**

[313.632. All contracts and agreements for the payment of
2 money and all salaries, fees and compensation paid by any
3 organization licensed as hereinbefore provided, and all proposed
4 extensions, additions, or improvements to the buildings, stables,
5 improvements or tracks upon property owned or leased by such
6 licensee shall be subject to the approval of the commission.]

[313.710. A program to encourage and award the owners and
2 breeders of Missouri-bred horses that win horse races in this state may
3 be established by rules and regulations promulgated by the
4 commission.]